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May 21, 2005

U.S. Dept of Agriculture  
Docket No 050-15-1  
Regulatory Analysis and Development, PPD  
Animal Plant Health Inspection Service 3 C 71  
4700 River road, Unit 18  
Riverdale, Maryland 20737-1238

Dear Gentlepersons:

I am replying to Secretary Johanns's request for producers to submit suggestions of how best to implement the Mandatory Animal ID Program. As a past producer of beef cattle and a licensed California veterinarian, I want to address an aspect of cattle production that is overlooked which is bank financing for livestock loans.

What I have in mind is, the government should require livestock owners to have their livestock enrolled in a tracking program before applying for a livestock loan.

The reasons for animals being enrolled in a tracking program prior to a livestock loan are many:

1. Individual animal ID would allow a bank to insure that the cattle that are the bank's collateral can be identified at any one time during the production cycle. If the cattle are commingled, they are easily identified and separated by use of electronic methods. The electronic devices are useful in herd management programs. These devices are proven to be cost effective in livestock production.
2. Transcripts from the Hearing Sessions held last year by the Department of Agriculture on public feedback about the establishment of a national I.D. Programs "It's already been pointed out that a premium of up to \$3 hundred on fat cattle RFID and up to \$15 a calf for RFID technology." Hence more money to the rancher will make it easier for the rancher to discharge the livestock loan.
3. Animal tracking enrollment prior to loans would help protect the bank from diseases such as foot and mouth and Mad Cow Disease.
4. Animal tracking enrollment prior to bank loans would help protect the national interest such as the exportation of beef. Andy Obermuller reporting in the Motley Fool on May 18, 2005 wrote about Tyson Foods' recent dismal financial report: "beef tanked after Japan banned U.S. beef imports in December 2003. Forty nations followed suit and erected similar trade barriers in a panicky global

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response to mad-cow disease. The result according to Tyson's 2004 annual report, was \$61 million in direct mad-cow-related costs and a whopping 9.8% drop in beef sales"... "The Department of Agriculture says the U.S. exported 461 million pounds of beef in 2004, down from 2.5 billion pounds the year before,"

5. Failure of lending institutions to do their part by not requiring that livestock not be enrolled in tracking programs prior to livestock loans does not help the U.S. Department of Agriculture in the implementation of the national animal I.D. program. To put it another way, how many banks will give a loan on a house that is not insured. The same principle should apply to loans for livestock.

In this regard, the Federal Reserve Bank of Kansas City in the January Summary reported on 1-06-04. "While most districts reported steady conditions in the farm economy, the appearance of mad cow disease created substantial uncertainty in the cattle industry... The emergence of a case of mad cow disease in Washington state resulted in a great deal of uncertainty for cattle ranchers. Contracts in several districts noted substantial declines in cattle prices due to foreign bans on U.S. beef exports."

The simple requirement of enrolling livestock in tracking programs prior to a livestock loan would aid immeasurably to bring about mandatory animal I.D. expeditiously and without government funding.

Yours truly



Wendell G. Peart, DVM

Copies: Honorable Ryoza Kato, Japanese Ambassador  
John Tyson, CEO Tyson Foods  
Interested Persons